

Memo

From: Terry Whiteside
Date: September 21, 2007
Re: **Transportation Report**



UNION PACIFIC RAILROAD REALIZES ITS OWN MONOPOLY AND HAS ISSUED ITS OWN UNION PACIFIC-OPOLY GAME

The Union Pacific Railroad has come out of the closet and has declared themselves a Monopoly. The Union Pacific Railroad has put out their own version of a Monopoly board game as a collectible. They claim "a game for train lovers across America".



If you land on the Denver & Rio Grand – the card states "Rent = 4 times amount shown on dice / 10 times amount shown on dice if both "Western Pacific" and "Denver & Rio Grande" are owned". **Thus the recognition by this monopoly that if you own more railroads – you have more captive shippers and you can charge, in this case, 2 ½ times more for your services!!!!!!!**

HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE HEARING POSTPONED

The hearing on Rail Competition and Service that was scheduled for Thursday September 20 at 11:00 in the House Transportation and Infrastructure Committee was postponed until Tuesday, September 25th at 10:00 o'clock. The hearing was postponed because House leadership scheduled the Federal Aviation Administration reauthorization legislation for consideration by the full House also on the 20th. Wayne Hurst from Paul, Idaho will be testifying for ARC, NAWG and ag producers.

This is an important hearing on the Rail Competition issue. More than likely there will be future hearing on the H.R. 2125 Rail Competition and Service bill introduced by the Chairman.

SENATE JUDICIARY COMMITTEE REPORT TO FULL SENATE ON S. 772, THE RAILROAD ANTITRUST ENFORCEMENT ACT OF 2007

Legislation designed to increase competitiveness in the railroad shipping industry was approved Thursday by the Senate Judiciary Committee. The measure ([S 772](#)), approved by voice vote, would amend federal statutes that exempt railroads from antitrust laws regulating mergers, acquisitions, pooling arrangements and rates that apply to other transportation industries, such as air travel. Supporters say the bill is a response to complaints from businesses that use rail services to ship goods, particularly power companies that rely on the rails to receive coal.

The businesses have complained that a lack of government regulation has led to a monopolistic railroad industry in which only a few firms control all U.S. rails and manipulate prices. Businesses that believe they have been charged too much have no power to sue.

Sponsor Herb Kohl, D-Wis., said the bill is needed to "end the anti-competitive abuses all too prevalent in this industry today." The bill would, among other things, permit the Justice Department and Federal Trade Commission (FTC) to review mergers under the antitrust law and would allow the government to sue to block railroad mergers.

It also would expand the FTC's jurisdiction to allow it to enforce antitrust laws in the railroad industry. Before approving the measure, the committee adopted an amendment making technical changes.

Some on the panel said they were worried about supporting the bill because the Surface Transportation Board, which, in part, would oversee the rail industry under the legislation, has raised some concerns about its language.

Kohl, who chairs the Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, promised to hold a hearing on the board's concerns soon.

Thanks to all of coalition of captive shippers who work together on this and congratulations on this major victory! The shippers are on the move to achieve positive changes to our national rail policy that will ensure reliable rail service at reasonable rates.